

## **Medi-Cal Managed Care: AUTO-ASSIGNMENT INCENTIVE PROGRAM OVERVIEW**

The Auto-Assignment Incentive Program was implemented in the Medi-Cal managed care program in December 2005 (Year 1) in the Geographic Managed Care (GMC) and Two-MCP Model (2-Plan) counties. Initially, five HEDIS measures and two safety net measures were used to develop quality scores for Medi-Cal managed care health plans (MCPs) in these counties to determine which MCPs would receive a greater percentage of default enrollments. Additional HEDIS measures have been added and deleted.

HEDIS measures added:

- Year 3 (effective Dec 2007) Cervical Cancer Screening.
- Year 6 (effective Jan 2011) Comprehensive Diabetes Care: HbA1c Testing.
- Year 10 (effective Feb 2015) Comprehensive Diabetes Care - LDL-C Control. ***This measure was used for Year 10 only.***
- Year 11 (effective Jan 2016) Controlling High Blood Pressure measure.

HEDIS measures deleted:

- Year 6 (effective Jan 2011) *Use of Appropriate Medications for People with Asthma.*
- Year 9 (effective Feb 2014) *Adolescent Well-Care Visits.*

For Year 8 through Year 10, a 5% cost factor was applied after the HEDIS and safety net measures were calculated. The cost factor reduces the rate of the highest cost MCP and increases the rate for the lowest cost MCP in each county. Since the relative cost was based on the capitation rate for each MCP and those rates vary by member type, the defaults for Seniors and Persons with Disabilities (SPD) and Non-SPD members were assigned separately and had different default rates. Only the default rates for the SPD members were modified by this cost factor.

In Year 11, the cost factor mentioned above was replaced by an Encounter Data Quality factor. This factor ranges from 0% to 6% of the total default allowance per county as outlined below and is only awarded to MCPs with a High Performing Data Quality grade.

In Year 10, pursuant to AB-85, the final default rate of a MCP may be reduced by 25% if they fail to assign a prescribed number of members who do not choose Primary Care Physicians (PCPs) to the County Public Hospital Health System (CPHHS).

The effective date range was changed for Year 6 to begin in January 2011 and for Year 7 to begin in February 2012. The effective date range was changed again for Year 11 to begin January and end in December of each from 2016 on.

### **HEDIS Measures Used in Auto-Assignment Incentive Program Year 11 (effective January 2016 to December 2016)**

- Cervical Cancer Screening (CCS)
- Childhood Immunization Status – Combination 3 (CIS-3)
- Comprehensive Diabetes Care: HbA1c Testing (CDC-HT)
- Controlling High Blood Pressure (CBP)
- Prenatal and Postpartum Care – Timeliness of Prenatal Care (PPC-Pre)

- Well-Child Visits in the 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> Years of Life (W34)

### **Scoring of HEDIS Results**

Points are assigned to each plan's rate for each HEDIS measure—current year points and improvement points.

- For current year points, MCPs are compared to each other (2-plan counties) or to the county's harmonic mean (GMC counties) and awarded points based on whether the plan's score for each measure is statistically superior, statistically equivalent or statistically inferior to the other or to the harmonic mean.
- Except for new measures, or measures that are significantly changed from the previous year, an improvement point is awarded if the plan's performance has statistically improved over the previous year or in the case of exceptionally strong performance (at or above NCQA's national 90<sup>th</sup> percentile for Medicaid managed care and better than 75% overall). No point is awarded if the plan's performance is statistically unchanged from the previous year, and a point is removed if the plan's performance has statistically deteriorated from the previous year.

### **Safety Net Measures**

Two safety net measures are used in the Auto-Assignment Incentive Program:

- Percentage of hospital discharges at Disproportionate Share Hospital facilities for members residing within the county (based on OSHPD hospital discharge data)
- Percentage of members assigned to PCPs
- who are safety net providers (based on rates provided by the MCPs after safety net provider lists have been validated by MMCD and validation of a sample of screen prints verifying PCP assignments)

"Safety net providers" are defined as: FQHCs, Rural Health Centers, Indian or Tribal Clinics, non-profit community or free clinics licensed by the state as primary care clinics, or clinics affiliated with DSH facilities.

For each safety net measure, MCPs are compared to each other (2-plan) or to the county's harmonic mean (GMC) and earn points based on their score in relation to the other MCP or the mean. Improvement points also are awarded based on the how much a plan's scores improved or decreased over the previous year's scores.

### **Cap on Percentage of Total Assignments**

For the first three years, the allowed percentage change in total assignments to a MCP was "capped" at 10 percent to avoid disruptive transition to new methodology for assigning defaults. The cap was changed to 20 percent for Year 4 (effective Dec 2008), which effectively eliminated the cap for that year since no MCP had a change in assigned defaults greater than 20 percent. The cap has remained at 20 percent since that time and has had an impact in some counties for certain years. Note that the cap only applies to the base calculation involving HEDIS and Safety Net measures and does not impact the subsequent adjustments for cost, Encounter Date Quality, or AB-85 PCP safety net assignment rates.

### **New MCPs Entering a County**

When a new MCP enters a county, generally it receives the percentage of allocations it would receive if its performance equaled the county mean, until it can produce its own performance rates—usually within two to three years. However, default percentages for new MCPs may be handled differently for an initial period as determined appropriate by program management.

### **Shift of 5% for Lowest Cost MCP**

From Year 8 through Year 10, pursuant to 2012 Trailer Bill Language, the Department of Health Care Services added a cost factor to the Auto-Assignment Incentive Program for the 2-Plan and GMC counties. This factor was in addition to the HEDIS and Safety Net measures and was applicable to beneficiaries in the SPD aid code categories. The default algorithm was adjusted to increase defaults to low cost MCPs by 5 percent and lower defaults to highest cost MCPs by 5 percent based on the MCPs' SPD capitation rates.

### **Encounter Data Quality Adjustments**

Beginning with Year 11, up to 6% of the total default allocation per county will be awarded to MCPs that achieve or maintain a High Performing Encounter Data grade based on the most recent evaluation available at the time of the default calculation each year.

For the Two Plan model counties, if only one MCP is High Performing, that MCP will get the full 6%. If both MCPs are High Performing, both will receive 3%. In both instances the remaining 94% is allocated based on the point ratio of the HEDIS/Safety Net calculation. If neither MCP is High Performing, the HEDIS/Safety Net point ratio shall be the default rate split as before.

For the GMC counties, if only one MCP is High Performing, that MCP will get the full 6%. If two MCPs are High Performing, both will receive 3%. If three MCPs are High Performing, those MCPs will each receive 2%. If four MCPs are High Performing, those MCPs will each receive 1%. In all these instances the remaining 94% or 96% is allocated based on the point ratios of the HEDIS/Safety Net calculation. If none of the MCPs are High Performing, the HEDIS/Safety Net point ratio shall be the default rate split as before. Note that since Kaiser rarely accepts default members, those MCPs will not be taken into consideration for this adjustment whether they are High Performing or not.

Since the Regional and Imperial model MCPs' default rates are still being assigned rather than calculated, they were not impacted by this adjustment for Year 11 and the impact for future years is yet to be determined.

### **AB-85 25% Reduction for Inadequate Safety Net PCP Assignment**

Beginning with Year 10, if a MCP does not assign the required amount of its members, who do not choose a PCP, to the CPHHS their net default allocation could be reduced by 25%. If a MCP would otherwise already receive 25% or less, the MCP may not receive any defaults. If the MCP was unable to meet the requirements of AB-85 due to provider panel closures or time and distance requirements, the adjustment may not be made to their default allocation.

Auto-Assignment website address:

<http://www.dhcs.ca.gov/provgovpart/Pages/MMCDAAIncentive.aspx>